

BusinessPlus+ Newsletter

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Measuring & Improving Business Adaptability – “AQ”

What is now really important to assess in a business today and it's not complicated. **It is adaptability: how well a business and the leaders & team react to the inevitability of change, and lots of it.** Adaptability itself is a form of intelligence, and our adaptability quotient, or AQ is something that can be measured, tested and improved.

AQ isn't just useful for businesses per se, however. It is increasingly important for all of us - because the world is speeding up. We know that the rate of technological change is accelerating, which is forcing our brains to react quickly and often. This is so, whether you're navigating changing job conditions brought on by automation, shifting geopolitics in a more globalised world, or simply confronting changing family business dynamics and personal relationships. All of us, as individuals, groups, corporations and even governments are being forced to grapple with more change than ever before in human history.

So, How Do We Assess Business Adaptability?

To assess for adaptability, firstly ask "what if" questions. What if your main revenue stream were to dry up overnight? What if a heat wave or flood prevented every single customer from being able to visit your store? **Asking "what if," instead of asking about the past, forces the brain to simulate - to picture multiple possible versions of the future. The strength of that vision, as well as how many distinct scenarios someone can conjure, tells you a lot.**

Practicing simulations is a sort of safe testing ground for improving adaptability. Instead of testing how you take in and retain information, like an IQ test might, it tests how you manipulate information, given a constraint, in order to achieve a specific goal.

The second step to assess adaptability in a business is to look for signs of unlearning. Active unlearners seek to challenge what they presume to already know, and instead, override that data with new information. Kind of like a computer running a disc clean-up. Take the example of Destin Sandlin, who programed his bicycle to turn left when he steered it right and vice versa. He called this his Backwards Brain Bike, and it took him nearly eight months just to learn how to ride it kind of, sort of normally. The fact that Destin was able to unlearn his regular bike in favour of a new one, though, signals something awesome about our adaptability. It's not fixed. Instead, each of us has the capacity to improve it, through dedication and hard work.

On the last page of Gandhi's autobiography, he wrote, "*I must reduce myself to zero.*" At many points in his very full life, he was still seeking to return to a beginner's mindset, to zero - to unlearn. It's pretty safe to say Gandhi had a high AQ score.

The third and final step to use to assess a business's AQ is to look for people who infuse exploration into their life and their business. There's a sort of natural tension between exploration and exploitation and collectively, all of us tend to overvalue exploitation. Here's a business example you may have heard before. In the year 2000, a man had a meeting with John Antioco, the CEO of Blockbuster, and proposed a partnership to manage Blockbuster's fledgling online business. The CEO John laughed him out of the room, saying, "*I have millions of existing customers and thousands of successful retail stores. I really need to focus on the money.*"

The other man in the meeting, however, turned out to be Reed Hastings, the CEO of Netflix. In 2018, Netflix brought in 15.8 billion dollars, while Blockbuster filed for bankruptcy in 2010, directly 10 years after that meeting. **The Blockbuster CEO was too focused on exploiting his already successful business model, so much so that he couldn't see around the next corner. In that way, his previous success became the enemy of his adaptability potential.**

Over time, adopt the following processes in your business to increase its AQ:-

- asking more "what if" questions;
- actively unlearning; and
- prioritising exploration over exploitation;

These approaches can put you and your business in the driver's seat, so that the next time something big changes, you're already prepared and ahead of your competitors.

How to Build Employee Adaptability

1) Embrace the Inevitability of Change

The first step in preparing your workforce for future uncertainties is to empower them to accept the inevitability of change. Even during periods of normality, change can occur suddenly and without warning.

For example, where job roles were once predominantly static concerning tasks and outcomes, expert predictions show that the most successful professionals are those who are happy to blur the lines, branch out and bring new value to the business in new ways.

You can coach teams to become more flexible by encouraging them to explore different ways of working, by facilitating upskilling, and by testing them with unfamiliar challenges.

2) Step outside Proven Success Metrics

Adaptability is based on assessing a situation and seeing the potential for new solutions. Encourage your team to explore new ways of hitting their KPIs, using experimental initiatives or new software. How else might the same result be achieved? Not only will this help to increase employee adaptability, but it also ensures continued business innovation.

3) Ask Hypothetical Questions

One of the most effective ways to boost AQ is to urge employees to continually challenge themselves with a series of hypothetical 'what if' questions. When they make a proposition or present a plan, ask them what they'd do if X, Y or Z happened. Do they have an alternative solution?

This gives them a safe way to prepare for possible outcomes and helps exercise the ability to assess a situation and postulate new options quickly.

4) Find a New 'Business as Usual'

The ability to learn, remember, and unlearn behaviours is a key factor in adaptability. Until recently, remote working was an activity undertaken at leisure and the convenience of an office space was relatively underappreciated. Now remote working has become the new 'business as usual'.

Using this as an example, workforce adaptability could be increased by allowing employees to change their working environment more regularly or by facilitating flexible hours as standard. This provides a regular state of change which makes extreme circumstances easier to assimilate if they occur in the future.

The world's workforce is now being presented with the biggest challenge of all. Business endurance will depend on the strong relationships we all have with our colleagues and our teams — together we can rise to the challenge and prevail.

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